Land Comment

Calendar No. 14

96TH CONGRESS 1ST SESSION

S. 245

[Report No. 96-7]

IN THE SENATE OF THE UNITED STATES

JANUARY 29 (legislative day, JANUARY 15), 1979

Mr. Church (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

MARCH 1, (legislative day February 22), 1979

Reported by Mr. Church, with an amendment to the text and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 TITLE 1
- 4 SEC. 101. No requirement for maintenance of diplo-
- 5 matic relations with the United States, or for recognition of a
- 6 government by the United States, as a condition of eligibility

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- 1 for participation in programs, transactions, or other relations
- 2 authorized by or pursuant to United States law shall apply
- 3 with respect to the people on Taiwan.
- 4 SEC. 102. Whenever any law, regulation, or order of
- 5 the United States refers or relates to a foreign country,
- 6 nation, state, government, or similar entity, such terms shall
- 7 include, and such law, regulation, or order shall apply with
- 8 respect to, the people on Taiwan.
- 9 SEC. 103. Whenever authorized or required by or pur-
- 10 suant to United States law to conduct or carry out programs,
- 11 transactions, or other relations with respect to a foreign
- 12 country, nation, state, government, or similar entity, the
- 13 President or any department or agency of the United States
- 14 Government is authorized to conduct and carry out such pro-
- 15 grams, transactions, and other relations with respect to the
- 16 people on Taiwan, in accordance with applicable laws of the
- 17 United States.
- 18 SEC. 104. Programs, transactions, and other relations
- 19 conducted or carried out by the President or any department
- 20 or agency of the United States Government with respect to
- 21 the people on Taiwan shall, as the President may direct, be
- 22 conducted and carried out by or through the American Insti-
- 23 tute in Taiwan, a nonprofit corporation incorporated under
- 24 the laws of the District of Columbia (hereinafter "the
- 25 Institute").

1	SEC. 105. Whenever the President or any department	
2	or agency of the United States Government is authorized or	
3	required by or pursuant to United States law to enter into,	
4	perform, enforce, or have in force an agreement or arrange-	
5	ment relative to the people on Taiwan, such agreement or	
6	arrangement shall be entered into, or performed and en-	
7	forced, as the President may direct, by or through the	
8	Institute:	
9	SEC. 106. Whenever the President or any department	
10	or agency of the United States Government is authorized or	
11	required by or pursuant to United States law to render or	
12	provide to, or to receive or accept from, the people on	
13	Taiwan any performance, communication, assurance, under-	
14	taking, or other action, such action shall, as the President	
15	may direct, be rendered or provided to, or received or ac-	
16	eepted from, an instrumentality established by the people on	
17	Taiwan.	
18	SEC. 107. Whenever the application of a rule of law of	
19	the United States depends upon foreign law, or compliance	
20	with foreign law, the law applied by the people on Taiwan	
21	shall be considered foreign law for that purpose.	
22	TITLE II	
23	SEC. 201. Any department or agency of the United	
24	States Government is authorized to sell, loan, or lease prop-	
25	erty, including interests therein, to, and to perform adminis-	

- 1 trative and technical support functions and services for the
- 2 operations of, the Institute upon such terms and conditions as
- 3 the President may direct. Reimbursements to departments
- 4 and agencies under this section shall be credited to the cur-
- 5 rent applicable appropriation of the department or agency
- 6 concerned.
- 7 SEC. 202. Any department or agency of the United
- 8 States Government is authorized to acquire and accept serv-
- 9 ices from the Institute upon such terms and conditions as the
- 10 President may direct, without regard to the laws and regula-
- 11 tions normally applicable to the acquisition of services by
- 12 such department or agency.
- 13 SEC. 203. Any department or agency of the United
- 14 States Government employing alien personnel in Taiwan is
- 15 authorized to transfer such personnel, with accrued
- 16 allowances, benefits, and rights, to the Institute without a
- 17 break in service for purposes of retirement and other benefits,
- 18 including continued participation in any system established
- 19 by law or regulation for the retirement of employees, under
- 20 which such personnel were covered prior to the transfer to
- 21 the Institute: Provided, That employee deductions and em-
- 22 ployer contributions, as required, in payment for such partici-
- 23 pation for the period of employment with the Institute, are
- 24 currently deposited in the system's fund or depository.

1 SEC. 204. (a) Under such terms and conditions as the President may direct, any department or agency of the United States Government is authorized to separate from Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute. (b) An officer or employee separated under subsection (a) of this section shall be entitled upon termination of such employment with the Institute to reemployment or reinstatement with that department or agency or a successor agency in an appropriate position with attendant rights, privileges, and benefits which the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may 15 prescribe. 16 (e) An officer or employee entitled to reemployment or reinstatement rights under subsection (b) of this section shall, while continuously employed by the Institute with no break in continuity of service, continue to participate in any benefit program in which such officer or employee was covered prior to employment by the Institute, including programs for compensation for job-related death, injury or illness; for health and life insurance; for annual, sick and other statutory leave; and for retirement under any system established by law or

25 regulation: Provided, That employee deductions and employ-

1 er contributions, as required, in payment for such participation for the period of employment with the Institute, must be currently deposited in the program's or system's fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in service or retirement from the service for the purposes of any employee or survivor benefits acquired by reason of service with a department or agency of the United States Government. (d) Any employee of a department or agency of the 11 United States Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this title for the period of such service. SEC. 205. The Institute shall be treated as a tax 16 exempt organization described in section 501(e)(3) of the Internal Revenue Code of 1954, and shall not be an agency or instrumentality of the United States. Employees of the Institute shall not be employees of the United States and, in representing the Institute, shall be exempt from section 207 of title 18, United States Code. The salaries and allowances paid to employees of the Institute shall be treated in the 24 same way for tax purposes, under sections 911, 912 and 913

25 of the Internal Revenue Code of 1954, as salaries and equiv-

1	alent allowances paid by departments and agencies of the		
2	United States Government.		
3	TITLE III		
4	SEC. 301. In addition to funds otherwise available for		
5	the purposes of this Act, there are authorized to be appropri-		
6	ated to the Secretary of State from time to time such funds		
7	as may be necessary to earry out such purposes. Such funds		
8	are authorized to remain available until expended.		
9	SEC. 302. The Secretary of State is authorized to use		
10	funds made available to earry out this Act to further the		
11	maintenance of commercial, cultural and other relations with		
12	the people on Taiwan on an unofficial basis. The Secretary		
13	may provide such funds to the Institute for expenses directly		
14	related to the purposes of this Act, including—		
15	(1) payment of salaries and benefits to Institute		
16	employees;		
17	(2) acquisition and maintenance of buildings and		
18	facilities necessary to the conduct of Institute business;		
19	(3) maintenance of adequate security for Institute		
20	employees and facilities; and		
21	(4) such other expenses as may be necessary for		
22	the effective functioning of the Institute.		
23	SEC. 303. Any department or agency of the United		
24	States Government making funds available to the Institute in		
25	accordance with this Act shall make arrangements with the		

- 1 Institute for the Comptroller General of the United States to
- 2 have access to the books and records of the Institute and the
- 3 opportunity to audit the operations of the Institute.
- 4 SEC. 304. The programs, transactions, and other rela-
- 5 tions carried out by the President or any department or
- 6 agency of the United States Government with respect to the
- 7 people on Taiwan since January 1, 1979, are approved and
- 8 confirmed.
- 9 SEC. 305. The President is authorized to prescribe such
- 10 rules and regulations as he may deem appropriate to earry
- 11 out the purposes of this Act.
- 12 That this Act may be cited as the "Taiwan Enabling Act".
- 13 TITLE I
- 14 SEC. 101. (a) Whenever any law, regulation, or order
- 15 of the United States refers or relates to a foreign country,
- 16 nation, state, government, or similar entity, such terms shall
- 17 include, and such law, regulation, or order shall apply with
- 18 respect to, the people on Taiwan.
- 19 (b) Except as provided in section 205(d) of this Act, the
- 20 term "people on Taiwan", as used in this Act, shall mean
- 21 and include the governing authority on Taiwan, recognized
- 22 by the United States prior to January 1, 1979 as the Repub-
- 23 lic of China; its agencies, instrumentalities, and political
- 24 subdivisions; and the people governed by it in the islands of
- 25 Taiwan and the Pescadores.

- 1 Sec. 102. (a) No requirement for maintenance of diplo-
- 2 matic relations with the United States, or for recognition of a
- 3 government by the United States as a condition of eligibility
- 4 for participation in programs, transactions, or other relations
- 5 authorized by or pursuant to United States law, shall apply
- 6 with respect to the people on Taiwan.
- 7 (b) The rights and obligations under the laws of the
- 8 United States of natural persons on Taiwan and the Pesca-
- 9 dores, and of the organizations and other entities formed
- 10 under the law applied on Taiwan, shall not be affected by the
- 11 absence of diplomatic relations between the people on Taiwan
- 12 and the United States or by lack of recognition by the United
- 13 States.
- 14 Sec. 103. The instrumentality referred to in section
- 15 109 of this Act and the authorities on Taiwan shall have
- 16 access to the courts of the United States, provided that the
- 17 United States and the American Institute in Taiwan have
- 18 access to the courts on Taiwan. In the case of any action
- 19 brought in any court of the United States on behalf of or
- 20 against the people on Taiwan prior to the effective date of this
- 21 Act, the authorities on Taiwan shall continue to represent the
- 22 people on Taiwan.
- 23 Sec. 104. For all purposes, including actions in all
- 24 courts in the United States, the Congress approves the con-
- 25 tinuation in force of all treaties and other international

- 1 agreements entered into between the United States and the
- 2 Government recognized as the Republic of China prior to
- 3 January 1, 1979, and in force until December 31, 1978,
- 4 unless and until terminated in accordance with law.
- 5 Sec. 105. Whenever authorized or required by or pur-
- 6 suant to United States law to conduct or carry out programs,
- 7 transactions, or other relations with respect to a foreign coun-
- 8 try, nation, state, government, or similar entity, the Presi-
- 9 dent or any department or agency of the United States Gov-
- 10 ernment is authorized to conduct and carry out such pro-
- 11 grams, transactions, and other relations with respect to the
- 12 people on Taiwan, in accordance with applicable laws of the
- 13 United States.
- 14 Sec. 106. (a) Programs, transactions, and other rela-
- 15 tions conducted or carried out by the President or any depart-
- 16 ment or agency of the United States Government with re-
- 17 spect to the people on Taiwan shall, in the manner and to the
- 18 extent directed by the President, be conducted and carried out
- 19 by or through the American Institute in Taiwan, a nonprofit
- 20 corporation incorporated under the laws of the District of Co-
- 21 lumbia (hereinafter "the Institute").
- 22 (b) To the extent that any law, rule, regulation, or ordi-
- 23 nance of the District of Columbia or of any state or political
- 24 subdivision thereof in which the Institute is incorporated or
- 25 doing business impedes or otherwise interferes with the per-

- 1 formance of the functions of the Institute pursuant to this
- 2 Act, such law, rule, regulation, or ordinance shall be deemed
- 3 to be preempted by this Act.
- 4 Sec. 107. In carrying out its activities, the Institute
- 5 shall take all appropriate steps to strengthen and expand the
- 6 ties between the people of the United States and all the people
- 7 on Taiwan and to promote full human rights for all the
- 8 people on Taiwan.
- 9 Sec. 108. Whenever the President or any department
- 10 or agency of the United States Government is authorized or
- 11 required by or pursuant to United States law to enter into,
- 12 perform, enforce, or have in force an agreement or arrange-
- 13 ment relative to the people on Taiwan, such agreement or
- 14 arrangement shall be entered into, or performed and enforced,
- 15 in the manner and to the extent directed by the President, by
- 16 or through the Institute.
- 17 Sec. 109. Whenever the President or any department
- 18 or agency of the United States Government is authorized or
- 19 required by or pursuant to United States law to render or
- 20 provide to, or to receive or accept from, the people on Taiwan,
- 21 any performance, communication, assurance, undertaking, or
- 22 other action, such action shall, in the manner and to the
- 23 extent directed by the President, be rendered or provided to,
- 24 or received or accepted from, an instrumentality established
- 25 by the people on Taiwan.

SEC. 110. Whenever the application of a rule of law of 1 $\mathbf{2}$ the United States depends upon the law applied on Taiwan or compliance therewith, the law applied on Taiwan shall be considered the applicable law for that purpose. SEC. 111. (a) For all purposes, including actions in all 5 courts in the United States, recognition of the People's Re-6 public of China shall not affect the ownership of, or other rights or interests in, properties, tangible and intangible, and other things of value, owned or held on December 31, 1978 or thereafter acquired or earned by the people on Taiwan, 10 11 except, however, diplomatic real properties situated in the United States which were acquired prior to October 1, 1949. 13 (b) Any contract or property right or interest, obligation or debt of, or with respect to, the people on Taiwan heretofore or hereafter acquired by United States persons, and the capacity of the people on Taiwan to sue or be sued in courts in 17 the United States, shall not be abrogated, infringed, modified, or denied because of the absence of diplomatic relations 19 between the people on Taiwan and the United States or the lack of recognition of a government by the United States. 20 21 Sec. 112. (a) Notwithstanding the \$1,000 per capita 22 income restriction in clause (2) of the second undesignated 23 paragraph of section 231 of the Foreign Assistance Act of 24 1961, the Overseas Private Investment Corporation ("the 25 Corporation") in determining whether to provide any insur-

- 1 ance, reinsurance, loans or guaranties for a project, shall not
- 2 restrict its activities with respect to investment projects in
- 3 Taiwan.
- 4 (b) Except as provided in subsection (a) of this section,
- 5 in issuing insurance, reinsurance, loans or guaranties with
- 6 respect to investment projects on Taiwan, the Corporation
- 7 shall apply the same criteria as those applicable in other
- 8 parts of the world.
- 9 (c) Not later than five years after the date of enactment
- 10 of this Act, the President shall report in writing to the Com-
- 11 mittee on Foreign Relations of the Senate and the Speaker of
- 12 the House of Representatives concerning the desirability of
- 13 continuing this section in force in light of economic condi-
- 14 tions prevailing on Taiwan on the date of such report.
- 15 SEC. 113. The President is authorized and requested,
- 16 under such terms and conditions as he determines, to extend
- 17 to the instrumentality established by the people on Taiwan
- 18 and the appropriate members thereof, referred to in section
- 19 109, privileges and immunities comparable to those provided
- 20 to missions of foreign countries, upon the condition that
- 21 privileges and immunities are extended on a reciprocal basis
- 22 to the American Institute on Taiwan at not less than the
- 23 level authorized herein with respect to the instrumentality re-
- 24 ferred to in section 109.
- 25 SEC. 114. (a) It is the policy of the United States—

1	(1) to maintain extensive, close, and friendly rela-
2	tions with the people on Taiwan;
3	(2) to make clear that the United States' decision
4	to establish diplomatic relations with the People's Re-
5	public of China rests on the expectation that any reso-
6	lution of the Taiwan issue will be by peaceful means;
7	(3) to consider any effort to resolve the Taiwan
8	issue by other than peaceful means a threat to the
9	peace and security of the Western Pacific area and of
10	grave concern to the United States; and
11	(4) to provide the people on Taiwan with arms of
12	a defensive character.
13	(b) In order to achieve the objectives of this section—
14	(1) the United States will maintain its capacity
15	to resist any resort to force or other forms of coercion
16	that would jeopardize the security, or the social or
17	economic system, of the people on Taiwan;
18	(2) the United States will assist the people on
19	Taiwan to maintain a sufficient self-defense capability
20	through the provision of arms of a defensive character,
21	(3) the President is directed to inform the Con-
22	gress promptly of any threat to the security of Taiwar
23	and any danger to the interests of the United States
24	arising therefrom; and

1	(4) the United States will act to meet any danger
2	described in paragraph (3) of this subsection in accord-
3	ance with constitutional processes and procedures es-
4	tablished by law.
5	$TITLE\ II$
6	SEC. 201. Any department or agency of the United
7	States Government is authorized to sell, loan, or lease prop-
8	erty, including interests therein, to, and to perform adminis-
9	trative and technical support functions and services for the
10	operations of, the Institute upon such terms and conditions as
11	the President may direct. Reimbursements to departments
12	and agencies under this section shall be credited to the cur-
13	rent applicable appropriation of the department or agency
14	concerned.
15	SEC. 202. Any department or agency of the United
16	States Government is authorized to acquire and accept serv-
17	ices from the Institute upon such terms and conditions as the
18	President may direct. Whenever the President determines it
19	to be in furtherance of the purposes of this Act, the procure-
20	ment of services by such departments and agencies from the
21	Institute may be effected without regard to such laws and
22	regulations normally applicable to the acquisition of services
23	by such departments and agencies as the President may
24	specify by Executive order.

1	SEC. 203. Any department or agency of the United
2	States Government employing alien personnel in Taiwan is
3	authorized to transfer such personnel, with accrued
4	allowances, benefits, and rights, to the Institute without a
5	break in service for purposes of retirement and other benefits,
6	including continued participation in any system established
7	by law or regulation for the retirement of employees, under
8	which such personnel were covered prior to the transfer to the
9	Institute: Provided, That employee deductions and employee
10	contributions, as required, in payment for such participation
11	for the period of employment with the Institute, shall be cur-
12	rently deposited in the system's fund or depository.
13	Sec. 204. (a) Under such terms and conditions as the
14	President may direct, any department or agency of the
15	United States Community and in multi-
	United States Government is authorized to separate from
16	Government service for a specified period any officer or em-
	Government service for a specified period any officer or em-
17	Government service for a specified period any officer or em-
17 18	Government service for a specified period any officer or employee of that department or agency who accepts employment
17 18 19	Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute.
17 18 19 20	Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute. (b) An officer or employee separated under subsection
17 18 19 20	Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute. (b) An officer or employee separated under subsection (a) of this section shall be eligible upon termination of such
16 17 18 19 20 21 22	Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute. (b) An officer or employee separated under subsection (a) of this section shall be eligible upon termination of such employment with the Institute to reemployment or reinstate-

25 employee would have had or acquired had he or she not been

- 1 so separated, subject to such time period and other conditions
- 2 as the President may prescribe.
- 3 (c) An officer or employee eligible for reemployment or
- 4 reinstatement rights under subsection (b) of this section shall,
- 5 while continuously employed by the Institute with no break
- 6 in continuity of service, continue to be eligible to participate
- 7 in any benefit program in which such officer or employee
- 8 was covered prior to employment by the Institute, including
- 9 programs for compensation for job-related death, injury or
- 10 illness; for health and life insurance; for annual, sick and
- 11 other statutory leave; and for retirement under any system
- 12 established by law or regulation: Provided, That employee
- 13 deductions and employer contributions, as required, in pay-
- 14 ment for such participation for the period of employment with
- 15 the Institute, shall be currently deposited in the program's or
- 16 system's fund or depository. Death or retirement of any such
- 17 officer or employee during approved service with the Institute
- 18 and prior to reemployment or reinstatement shall be consid-
- 19 ered a death in service or retirement from the service for the
- 20 purposes of any employee or survivor benefits acquired by
- 21 reason of service with a department or agency of the United
- 22 States Government.
- 23 (d) Any employee of a department or agency of the
- 24 United States Government who entered into service with the
- 25 Institute on approved leave of absence without pay prior to

- 1 the enactment of this Act shall receive the benefits of this title
- 2 for the period of such service.
- 3 SEC. 205. (a) The Institute, its property, and its
- 4 income are exempt from all taxation now or hereafter im-
- 5 posed by the United States (except to the extent that section
- 6 204(c) of this Act requires the imposition of taxes imposed
- 7 under chapter 21 of the Internal Revenue Code of 1954, re-
- 8 lating to the Federal Insurance Contributions Act) or by any
- 9 State or local taxing authority of the United States.
- 10 (b) For purposes of the Internal Revenue Code of 1954,
- 11 the Institute shall be treated as an organization described in
- 12 sections 170(b)(1)(A), 170(c), 2055(a), 2106(a)(2)(A),
- 13 2522(a), and 2522(b).
- 14 (c)(1) For purposes of sections 911 and 913 of the In-
- 15 ternal Revenue Code of 1954, amounts paid by the Institute
- 16 to its employees shall not be treated as earned income.
- 17 Amounts received by employees of the Institute shall not be
- 18 included in gross income, and shall be exempt from taxation,
- 19 to the extent that they are equivalent to amounts received by
- 20 civilian officers and employees of the Government of the
- 21 United States as allowances and benefits which are exempt
- 22 from taxation under section 912 of such Code.
- 23 (2) Except to the extent required by section 204(c) of
- 24 this Act, service performed in the employ of the Institute

1	shall not constitute employment for purposes of chapter 21 of		
2	such Code and title II of the Social Security Act.		
3	(d) For the purpose of applying section 102 of this Ac		
4	to the Internal Revenue Code of 1954, and to any regulation		
5	ruling, decision, or other determination under such Code, th		
6	term "people on Taiwan" shall mean the governing authority		
7	on Taiwan recognized by the United States prior to January		
8	1, 1979, as the Republic of China and its agencies, instru		
9	mentalities, and political subdivisions; except that when such		
10	term is used in a geographical sense it shall mean the island		
11	of Taiwan and the Pescadores.		
12	(e) The Institute shall not be an agency or instrumen		
13	tality of the United States. Employees of the Institute shall		
14	not be employees of the United States and, in representing		
15	the Institute, shall be exempt from section 207 of title 18,		
16	United States Code.		
17	SEC. 206. (a) The Institute may authorize any of its		
18	employees in Taiwan—		
19	(1) to administer to or take from any person an		
20	oath, affirmation, affidavit, or deposition, and to per-		
21	form any notarial act which any notary public is re-		
22	quired or authorized by law to perform within the		
23	United States;		
24	(2) to act as provisional conservator of the per-		
25	sonal estates of deceased United States citizens; and		

1	(3) to render assistance to American vessels and
2	seamen.
3	(b) Acts performed by authorized employees of the Insti-
4	tute under this section shall be valid, and of like force and
5	effect within the United States, as if performed by any other
6	person authorized to perform such acts.
7	TITLE III
8	Sec. 301. In addition to funds otherwise available for
9	the provisions of this Act, there are authorized to be appropri-
10	ated to the Secretary of State for the fiscal year 1980 such
11	funds as may be necessary to carry out such provisions.
12	Such funds are authorized to remain available until
13	expended.
14	Sec. 302. The Secretary of State is authorized to use
15	funds made available to carry out the provisions of this Act to
16	further the maintenance of commercial, cultural, and other
17	relations with the people on Taiwan on an unofficial basis.
18	The Secretary may provide such funds to the Institute for
19	expenses directly related to the provisions of this Act, includ-
20	ing—
21	(1) payment of salaries and benefits to Institute
22	employees;
23	(2) acquisition and maintenance of buildings and
24	facilities necessary to the conduct of Institute business;

1	(3) maintenance of adequate security for Institute	
2	employees and facilities; and	
3	(4) such other expenses as may be necessary for	
4	the effective functioning of the Institute.	
5	SEC. 303. Any department or agency of the United	
6	States Government making funds available to the Institute	
7	in accordance with this Act shall make arrangements with	
8	the Institute for the Comptroller General of the United	
9	States to have access to the books and records of the Institute	
10	and the opportunity to audit the operations of the Institute.	
11	Sec. 304. The President is authorized to prescribe such	
12	rules and regulations as he may deem appropriate to carry	
13	out the purposes of this Act. Such rules and regulations shall	
14	be transmitted promptly to the Committee on Foreign Rela-	
15	tions of the Senate and the Speaker of the House of Repre-	
16	sentatives.	
17	$TITLE\ IV$	
18	SEC. 401. (a) The Secretary of State shall transmit to	
19	the Congress the text of any agreement to which the Institute	
20	is a party. However, any such agreement the immediate	
21	public disclosure of which would, in the opinion of the Presi	
22	dent, be prejudical to the national security of the United	
23	States shall not be so transmitted to the Congress but shall be	
24	transmitted to the Committee on Foreign Relations of the	
25	Senate and the Committee on Foreign Affairs of the House	

1	of Representatives under an appropriate injunction of secrecy		
2	to be removed only upon due notice from the President.		
3	(b) For purposes of subsection (a), the term "agree-		
4	ment" includes—		
5	(1) any agreement entered into between the Insti-		
6	tute and the Taiwan authorities or the instrumentality		
7	established by the Taiwan authorities; and		
8	(2) any agreement entered into between the Insti-		
9	tute and departments and agencies of the United		
10	States.		
11	(c) Agreements and transactions made or to be made by		
12	or through the Institute shall be subject to the same Congres-		
13	sional notification, review, and approval requirements and		
14	procedures as if such agreements were made by or through		
15	the department or agency of the United States on behalf of		
16	which the Institute is acting.		
17	Sec. 402. During the two-year period beginning on the		
18	effective date of this Act, the Secretary of State shall trans-		
19	mit to the Speaker of the House of Representatives and the		
20	Committee on Foreign Relations of the Senate, every six		
21	months, a report describing and reviewing economic relations		
22	between the United States and the people on Taiwan, noting		
23	any interference with normal commercial relations.		

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- 2 SEC. 501. This Act shall have taken effect on January
- 3 *1, 1979*.
- 4 Sec. 502. If any provision of this Act or the applica-
- 5 tion thereof to any person or circumstance is held invalid, the
- 6 remainder of the Act and the application of such provision to
- 7 any other person or circumstance shall not be affected
- 8 thereby.

Amend the title so as to read: "A bill to promote the foreign policy of the United States by authorizing the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.".

Calendar No. 14

96TH CONGRESS S. 245

[Report No. 96-7]

A BILL

To promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.

Ву Мг. Сниксн

January 29, 1979

Read twice and referred to the Committee on Foreign Relations

MARCH 1, (legislative day February 22), 1979

Reported with an amendment to the text and an amendment to the title